

**NOTICE OF REQUEST FOR BIDS
GREEN BEETLE TRACT
QUARTZITE BUILDING STONE**

The Utah School and Institutional Trust Lands Administration is requesting competitive bids for a permit to mine, remove and sell quartzite building stone in the following described tract of state trust lands.

Township 11 North, Range 16 West, SLB&M
Section 36: W2SE4, SE4SE4

Box Elder County
120.00 Acres

BACKGROUND:

The tract of land is located in Park Valley, Box Elder County, Utah. It is accessible via a dirt road, off State Highway 30, approximately fifteen miles southwest of the community of Rosette. The surface is owned by the United States and administered by the Bureau of Land Management (BLM). The minerals, including quartzite building stone, are owned by the State of Utah and administered by the School and Institutional Trust Lands Administration. The quartzite deposit is in some low hills immediately west of the BLM Rosebud Ranger Station at an Elevation of 5300 to 5500 feet. Soils are rocky and vegetation consists of desert grasses, sagebrush and Pinyon-juniper.

The tract has previously been mined for quartzite, but may still contain significant reserves. A previous mining disturbance covers approximately three acres within the SE4SE4 of the Section. The surface of the disturbance has been regraded but requires mulching and reseeded. Also within the SE4SE4 of the Section is a stone processing site covering about 2,000 square feet and containing several tons of mined quartzite lying upon the ground. The amount of useable or marketable product at the processing site is undetermined. An open pit occupies approximately one acre in the NW4SE4 of the Section. Any further mining in the open pit area will likely require the removal of additional overburden. Unimproved dirt roads connect all of the sites.

The stone deposit of value is thin-cleavage, micaceous quartzite schist of the Dove Creek Formation. The total deposit is believed to be 60 to 80 feet thick, but contains intrusion of mica, shale and limestone. The quartzite rock is light green in color and shimmers beautifully in the sunlight. It may be in high demand as a decorative veneer for constructing walks, patios, floors treads, walls and fireplaces and should command a market price of \$90 to over \$200, per ton.

PERMIT AND BIDDING REQUIREMENTS

Applicants must be qualified to do business in the State of Utah and not in default under any previous trust lands contracts. Corporations must be registered with the Utah Division of Corporations (801) 530-4849. The successful bidder must accept the Mineral Materials Permit offered by the Trust Lands Administration. The term of the permit is five years. The permit requires payment of a non-refundable annual rental of \$10.00 per acre, or \$1,200.00, to be paid in advance at the beginning of each permit-year. The required production royalty is 10% of Gross Value, f.o.b. the mine, but not less than \$15.00 per ton. Annual rental may be credited against production royalties accruing for the same permit-year. Casualty liability insurance in an amount of at least \$1,000,000 and a royalty payment bond may be required for all operations on the permitted lands.

The successful bidder must agree to reclaim the existing surface disturbances in the permitted lands in accordance with requirements of the Division of Oil, Gas & Mining (DOGM) and the surface owner, in addition to reclaiming any new surface disturbances made under the permit. At least 60 days before commencing any operations on the lands the permittee must submit to the School and Institutional Trust Lands Administration a mining and reclamation plan for review and approval. The successful bidder must additionally obtain permits from the BLM (Mike Nelson 801-977-4355) for use of the surface and from DOGM (Lynn Kunzler, 801-538-5310) for a Small Mine Permit. The BLM may require the permittee to post a reclamation bond in the amount of not less than \$5,000 per acre of surface disturbance. Total surface disturbance may not exceed five acres without first obtaining a Large Mine Permit from DOGM.

Competitive bids submitted for a Mineral Materials Permit to mine, remove and sell quartzite building stone from the offered lands will be considered by the School and Institutional Trust Lands Administration on the basis of annual advance royalty. The qualified applicant offering to annually pay SITLA the greatest amount in advance royalty may be awarded the permit. There is no required minimum bid, but the amount of the bid must be paid each year in addition to the annual rental of \$10.00 per acre. Advance annual royalties may be credited against actual production royalties accruing for the same permit-year, but uncredited amounts are non-refundable.

Interested applicants may completely fill out the Mineral Materials Permit application form. Notary Public signature is required. Clearly indicate the amount of the Bid in the space provided on the application. **Place the completed application form, along with a check or money order payable to the Trust Lands Administration in the amount of the Bid, in a sealed envelope clearly marked "Green Beetle Tract". Also, place in the sealed envelope separate checks or money orders in the amount of \$1,200.00 for the first year annual rental and in the amount of \$100.00 for payment of a non-refundable filing fee. Deliver or mail the sealed envelope and contents to the Trust Lands Administration at 675 East 500 South, Suite 500, Salt Lake City, UT 84102.** All applications must be received at the above address not later than 5:00 P.M., April 30, 2001. Bids will be opened at the above address on May 2, 2001, at 10:00 A.M. Unsuccessful Bid and rental checks will be returned via U.S. Mail.

For more information contact John Blake, School and Institutional Trust Lands Administration, Salt Lake City, Utah, Telephone (801) 538-5152, FAX 538-0922.

To get an application form,
contact John Blake at 801-538-5121
or by e-mail at jblake.tlmain@state.ut.us